

**Minutes**  
Finance Committee Meeting  
2:30 p.m., January 24, 2012  
First Floor Conference Room, City Hall

Present: Vice Mayor Esther Manheimer, Chair; Councilmember Marc Hunt;  
Councilmember Chris Pelly

Staff: Lauren Bradley, Harry Brown, Judy Daniel, Mariate Echeverry, Robert Griffin, Kim Hamel, Gary Jackson, Ron Kerns, Tony McDowell, Sam Powers, Ken Putnam, John Sanchez, Roderick Simmons, Audran Stephens, Shannon Tuch

**1. Approval of Minutes**

The minutes from the September 27, 2011, meeting were not available; they will be presented for approval at the February 28, 2012 meeting. However, Councilmember Hunt asked that they be posted publicly in draft form.

**2. Finance Committee Process/Procedure**

Vice Mayor Manheimer explained the processes and procedures of the Finance Committee.

**3. FY 2011-2012 Planning Calendar**

Lauren Bradley, Financial Services Director, explained to the Committee that every year staff puts together a planning calendar for the City's budget and audit processes. The budget process runs January through June, to be approved by Council by the end of June, and the audit process usually begins in May and is brought to Council by the end of November. (See attached Planning Schedule for Fiscal Year 2011-2012.) A six month planning calendar specifically designed for the Finance Committee is also included as budget items are brought to the Finance Committee prior to going to Council budget work sessions. This calendar has been created to provide a context for what the Finance Committee considers on a regular basis; however, Council will refer items to the committee outside of this framework.

**4. FY 2013 Fees and Charges**

Vice Mayor Manheimer explained that any changes in fees and charges suggested by staff are routed first through the Finance Committee for review. These are then adopted in late March or early April, separate from adoption of the total budget, so that there is time to communicate with citizens and customers any changes in fees and charges that would become effective July 1.

Budget Manager Tony McDowell outlined what was being proposed for consideration by referring the Committee to the Memorandum prepared by Lauren Bradley, "Proposed FY 12-13 Fees & Charges" (attached). He noted that the fees and charges overall make up 10% of general fund fees, and that the increases suggested by staff would generate

approximately \$160,000 in additional revenues for the coming fiscal year. Staff was available to answer questions about specific fee increase proposals.

As there were no modifications to the proposed FY 12-13 fees and charges increases suggested by staff, they will next be considered by full Council.

## **5. Living Wage Update**

### **Employment Service Contract**

This item was referred to the Committee by Council when considering the contract for the parking security in response to living wage concerns. Vice Mayor Manheimer asked staff to report to the Committee on the City's living wage policy, what was adopted and how the parking security contract fell outside this adopted policy. This information is provided in the Memorandum prepared by Lauren Bradley and attached to these minutes, "Contract Thresholds for Living Wage Requirements." Ms. Bradley reviewed her memorandum with the Committee.

Councilmember Hunt voiced his support for the policy to expand beyond the \$30,000-\$90,000 range. He asked about the possibility of negotiating with the parking security vendor a one year, not a three year, contract, so that it might fall under living wage requirements should Council expand the range.

Ms. Bradley responded to a question from Councilmember Pelly that in the first quarter of FY 2011-12, the City entered into approximately 350 contracts, of which four were affected by the Living Wage Policy (general services contracts falling in the \$30,000-\$90,000 range). Ms. Bradley explained that this number reflects the low number of general services contracts entered into by the City; that most contracts are professional services contract, which are already paying a living wage.

Councilmember Pelly also voiced his support for entering into a one-year contract with the parking security vendor, and his overall support for increasing the parameters of the City's Living Wage Policy.

Staff was directed to talk with the vendor and with Purchasing, and, if possible, bring to full Council for consideration a one-year contract.

## **6. Golf Course RFI Results**

Lauren Bradley introduced the subject by referring the Committee to the Golf Course Budget Comments FY 2006-12 document included in their information to better understand the direction given by Council in previous budget years.

Roderick Simmons, Parks, Recreation & Cultural Arts Director, then updated the Committee on the Asheville Municipal Golf Course Request for Information (RFI) – Golf Course Operations and Management Presentation of Responses (see attached Memorandum). Staff feels confident that should Council decide to direct staff to issue an RFP, responses would be received for any of the three management models. And that the decision on which management model to pursue will reflect Council's level of control of the course.

Vice Mayor Manheimer questioned the substantial yearly general fund subsidy of the golf course, and the real possibility of reducing that subsidy. Mr. Simmons explained that, without banquet facilities, the golf course is not able to produce additional revenues other than through rounds played, which are impacted by the weather.

After discussing many pros and cons of the different management models, staff was directed to prepare an RFP letting respondents shape their proposals. Councilmember Hunt asked that the RFPs include multi-year pro formas on capital needs, a cost structure that the course can evolve to, revenue potentials, wage rates and compensation packages. He also asked that all references be thoroughly checked.

Councilmembers Hunt and Pelly shared their support for continuing to solicit input from a diverse set of community users and experienced people within the golfing community throughout the process. City Manager Gary Jackson suggested gathering community input on what they want to see in an RFP.

The Committee will update full Council in their quarterly report on this course of action. The process moving forward will be that responses to the RFP will be reviewed by staff, reviewed by the Finance Committee and then, if recommended by the Committee, referred to full Council.

## **7. New Business**

Previously in the meeting, Councilmember Hunt commented that he planned to bring to the Council Retreat for consideration his hope for a possible session with a School of Government facilitator around strategic financial planning. If full Council is supportive of this idea, Councilmember Hunt would suggest that this session occur earlier rather than later in the budget planning cycle for this year. Staff was asked to be aware of this possibility.

Councilmember Hunt also requested that staff purchase books on municipal finance for Council to review.

## **8. Public Comment**

### **Asheville Municipal Golf Course**

Randy Bernard, representing the community organization "The MUNI Alliance," shared with the Committee suggestions for making the golf course self supporting; his comments are attached.

Brenda Dunlap spoke to the community benefits of the golf course.

### **Combined Campaign Proposal**

Julie Mayfield requested that the City's charitable giving campaign include EarthShare NC; a proposal to do so is attached. Ms. Mayfield suggested that more education and giving opportunities would increase overall giving by City employees. David Bailey of United Way asked the Committee to consider leaving the status of the United Way of Asheville and Buncombe County's partnership with the City unchanged, as more giving opportunities would further dilute already diminishing donations. Both Ms. Mayfield and

Mr. Bailey provided the Committee with documentation in support of their positions (attached).

Vice Mayor Manheimer spoke in support of not making any changes to the City's giving policy at this time; Councilmembers Hunt and Pelly asked that full Council consider the policy. The proposal will move to full Council for a decision.

The meeting was adjourned at 4:15 p.m.